



Legislation Text

File #: 22-1457, Version: 1

STRATEGIC PRIORITY: Housing & Homelessness Solutions
AGENDA DATE: June 22, 2022
COUNCIL DISTRICT(S): 1
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize an amendment to Resolution No. 21-2047, previously approved on December 8, 2021, to allow the City to subordinate its liens to a financial institution's liens in relation to the development of Highpoint at Wynnewood, a mixed-income, multifamily development located 1911 Pratt Street Dallas, TX 75224 (Project), subject to the requirements of the Comprehensive Housing Policy (CHP) - Financing: No cost consideration to the City

BACKGROUND

On December 8, 2021 by Resolution No. 21-2047, the City Council authorized **(1)** the adoption of a Resolution of No Objection for S. Zang, LP, or its affiliates (Applicant) related to its application to the Texas Department of Housing and Community Affairs (TDHCA) for the development of the Project; **(2)** the rescission of Resolution No. 20-0379, approved on February 26, 2020; and **(3)** the sale of the property from WCH Limited Partnership to S. Zang, LP and amended and restated redevelopment loan documents with the Applicant (originally with WCH Limited Partnership, the current owner of the property) for low income housing for families at the Parks at Wynnewood, to **(a)** require the Applicant to obtain 4% LIHTC for the Highpoint at Wynnewood Apartments; **(b)** extend the timeline for completion by **10** years, to 2028; **(c)** extend the maturity date by **10** years, to 2028; **(d)** increase the number of units to be built from 160 to 220; **(e)** require a fifteen (15) year affordability period; **(f)** allow for the forgiveness of the remaining balance of \$418,750.00 upon satisfaction of the loan terms **(g)** require the Applicant to provide onsite classes for adults, career development/job training, annual health fairs, and a one-time set aside in the amount of \$75,000.00 for social services; and **(h)** require at least 185 of the 220 units will be available to rent to low-income households earning 60% or below of area median income (AMI) and 35 of the 220 units will be available to rent to low-income households earning 30% or below of AMI.

Language authorizing the subordination of the City's lien or liens to a financial institution's lien, subject to the requirements of the CHP, was omitted from the Resolution No. 21-2047. In order for the development to move forward, the City's lien must be subordinated to the Project's senior lender's lien. The subordination of the remaining balance of \$418,750.00 of the forgivable loan will be

added to the terms above. No other changes to the financial terms or the Project will be made.

The previously approved Project is the third and final phase of the redevelopment of the Parks at Wynnewood that has been ongoing since 2013. This 220-unit development represents an approximately \$47,000,000.00 investment in affordable housing for the City and will release land currently encumbered with a land use restrictive agreement to be redeveloped for higher and better uses than the current, aging property on the site.

Staff recommends approval of this item and authorizing the City to subordinate its lien to a senior lender, subject to the requirements of the CHP, to allow the final phase of the Parks at Wynnewood to close on July 15, 2022.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 8, 2021, City Council authorized **(1)** the adoption of a Resolution of No Objection for the Applicant related to its application to TDHCA for the development of Highpoint at Wynnewood, a multifamily development; **(2)** the rescission of Resolution No. 20-0379, approved on February 26, 2020; and **(3)** the sale of the property from WCH Limited Partnership to S. Zang, LP and amended and restated redevelopment loan documents with the Applicant (originally with WCH Limited Partnership, the current owner of the property) for low income housing for families at the Parks at Wynnewood, to **(a)** require the Applicant to obtain 2021 4% LIHTC for the Highpoint at Wynnewood Apartments; **(b)** extend the timeline for completion by **10** years, to 2028; **(c)** extend the maturity date by 10 years, to 2028; **(d)** increase the number of units to be built from 160 to 220; **(e)** require a 15 year affordability period; **(f)** allow for the forgiveness of the remaining balance of \$418,750.00 upon satisfaction of the loan terms **(g)** require the Applicant to provide onsite classes for adults, career development/job training, annual health fairs, and a one-time set aside in the amount of \$75,000.00 for social services; and **(h)** require at least 185 of the 220 units will be available to rent to low-income households earning 60% or below of area median income (AMI) and 35 of the 220 units will be available to rent to low-income households earning 30% or below of AMI.

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached